

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NG-0020/PI-80
on its own motion, seeking to)
conduct a review related to a)
settlement agreement among the)
State of Nebraska, acting by and) ORDER APPROVING SETTLEMENT
through the Governor's Policy)
Research Office; the Nebraska)
Public Service Commission; and)
Kinder Morgan, Inc., a Kansas)
corporation.) Entered: June 8, 2004

BY THE COMMISSION:

On April 6, 2004, the Commission opened this docket in order to evaluate a proposed settlement agreement, to consider proposed tariff changes, and to review certain documented litigation costs of Kinder Morgan, Inc. (Kinder Morgan).

By order entered June 2, 2004, the Commission approved Commission staff's verification of Kinder Morgan's Recoverable P-0802 Expenses, which are further described in such order ("Verification Order").

Under the settlement agreement, a condition precedent to the obligation of the parties to perform is Commission approval, without modification, of the settlement agreement and the tariff sheets, which are attached as Exhibit A and Exhibit B, respectively. The tariff sheets shown in Exhibit B were filed by Kinder Morgan, Inc. on June 4, 2004, following the Commission's Verification Order, and show an effective date of July 15, 2004. This effective date allows sufficient time for compliance with the thirty-day notice period specified in Neb. Rev. Stat. § 66-1808. In addition, the tariff sheets differ from the pro forma tariff sheets filed with the settlement agreement in that they incorporate the changes made by Kinder Morgan's recently approved gas supply cost adjustment filing in Application No. NG-0023.

The Commission has completed its necessary review of the settlement agreement and proposed tariff changes, and finds that the change in rates contained therein are just and reasonable, and that approval of the settlement agreement and the tariff sheets is in the public interest. Accordingly, the Commission finds that it should give final approval to the settlement agreement and tariff changes.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the settlement agreement and tariff sheets are approved.

MADE AND ENTERED at Lincoln, Nebraska, this 8th day of June, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director